

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 99-176-J
NATURAL GAS COMPANY, INC.)	

ORDER

On December 27, 1999, in Case No. 99-176, the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's gas cost adjustment ("GCA") clause.

On June 27, 2001, Delta filed its GCA to be effective August 1, 2001.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected decrease in wholesale gas costs. Delta's expected gas cost ("EGC") is \$5.1547 per Mcf, which is 29.37 cents per Mcf less than the previous EGC of \$5.4484.
2. Delta's notice sets out no current refund adjustment ("RA"). The total RA of 1.49 cents per Mcf includes refund adjustments from prior periods.
3. Delta's notice sets out a current actual adjustment ("AA") of (63.91) cents per Mcf. Delta incorrectly used its EGC effective May 1, 2001, rather than the EGC effective for February, March and April 2001, to calculate its current AA. Correcting for this error produces a current AA of (42.22) cents per Mcf. The total AA of \$1.7690 reflects over- and under-collections from prior periods.

4. Delta's notice sets out a balance adjustment ("BA") of (\$1.3406), which reflects over-recoveries remaining from previous AA calculations.

5. Delta's GCA is \$5.5682 per Mcf, which is \$1.0773 per Mcf less than the previous GCA of \$6.6455.

6. The rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for final meter readings by Delta on and after August 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Delta are denied.

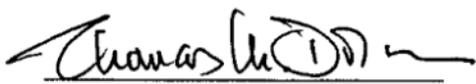
2. The rates in the Appendix to this Order are approved for final meter readings on and after August 1, 2001.

3. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of July, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-176-J DATED JULY 24, 2001

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 8.00				
All Mcf	\$3.6224		\$5.5682		\$ 9.1906
Small Non-Residential					
Monthly Service Charge	\$ 17.00				
First 200 Mcf	3.6224		5.5682		\$ 9.1906
Next 800 Mcf	2.4000		5.5682		7.9682
Over 1,000 Mcf	2.0495		5.5682		7.6177
Large Non-Residential					
Monthly Service Charge	\$ 50.00				
First 200 Mcf	\$ 3.6224		\$ 5.5682		\$ 9.1906
Next 800 Mcf	2.0063		5.5682		7.5745
Next 4,000 Mcf	1.3190		5.5682		6.8872
Next 5,000 Mcf	.9190		5.5682		6.4872
Over 10,000 Mcf	.7190		5.5682		6.2872

Interruptible

Monthly Service Charge		\$ 250.00		
First 1,000 Mcf		\$ 1.6000	\$5.5682	\$ 7.1682
Next 4,000 Mcf		1.2000	5.5682	6.7682
Next 5,000 Mcf		.8000	5.5682	6.3682
Over				